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United States
Department of
Agriculture

Office of
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and Public Affairs

Speeches and Major Press Releases

December 8 - December 12, 1980

Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

PEANUT IMPORT LIMITATIONS INCREASED BY 200 MILLION POUNDS

WASHINGTON, Dec. 5--Ambassador Rubin Askew, acting under authorities delegated to him by the president, has initiated emergency action to allow an additional 200 million pounds (shell basis) of edible grade peanuts to be imported into the United States before June 30, 1981.

The action, taken in response to an extremely short domestic peanut supplies, was recommended by Secretary of Agriculture Bob Bergland. Bergland said the additional imports would not interfere with the domestic peanut price support program.

According to Bergland, this summer's heat and dry conditions drastically reduced peanut production in every major growing region. As a result, 1980 U.S. peanut production is estimated at 2.3 billion pounds, 42 percent smaller than the 1979 crop and the smallest since 1964. Total supplies--including stocks of edible quality peanuts--are expected to be about 2.86 billion pounds, 37 percent lower than last year, Bergland said.

Bergland said weather conditions also damaged the quality of the 1980 crop, further tightening supplies of higher quality--or edible grade--peanuts.

Bergland said world production is expected to be just about equal to last year's level, but large quantities of peanuts are not generally available on world markets.

The United States has become the world's predominant peanut exporter in recent years, Bergland said, and USDA analysts estimate other potential exporters could export only a limited quantity of edible peanuts to the United States.

However, Bergland said the availability of quantities in the world market will be contingent upon policy decisions by the two largest producers: India and China.

Bergland said based on the current supply-demand situation, an additional 200 million pounds of shelled (267 million pounds unshelled), edible peanut imports would not interfere with the

domestic peanut price support program. Even with the additional imports, prices at the farm and at wholesale will be well-over last year's levels, Bergland said.

"The higher quota level is designed to compensate only for the problems arising from this summer's weather and its effects on the 1980 peanut crop. The June 30 cut-off will guard against excessive imports late in the marketing year which could interfere with marketings of the 1981 crop," Bergland said.

Since 1953, the annual import quota for peanuts has been 1.7 million pounds. However, in 1955 and 1956, increased peanut imports were allowed in response to short domestic supply situations.

The International Trade Commission is conducting an investigation to determine if the import quota should be temporarily suspended or modified. The emergency increase in quota will remain in effect until further action is taken after completion of the ITC investigation.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

SECRETARY DEFERS ON CALLING CORN RESERVE

WASHINGTON, Dec. 8--Secretary of Agriculture Bob Bergland has deferred calling the farmer-owned reserve for corn, using new regulations put in place today.

Bergland said even though the five-day moving average price has been above the \$3.26 call level for corn for five consecutive days, the farm price for corn fell below the call point last Thursday, Dec. 4, and remained below on Friday, Dec. 5.

"Market prices for corn, while strong, have shown some weakness in recent days. I am deferring a call for repayment of corn reserve loans in order to give the market additional time to send a clear signal. The corn in reserve should not be forced onto the market at a time when prices are fluctuating," Bergland said.

USDA will continue to monitor prices and base reserve decisions upon them.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA TO CONSIDER PRICE ABERRATIONS BEFORE CALLING RESERVE

WASHINGTON, DEC. 8--Secretary of Agriculture Bob Bergland today announced a change in the farmer-owned reserve program which will give the secretary discretion to consider short-term price aberrations before calling reserves.

"Until now, reserves would be called automatically if the five-day moving average price exceeded the call level for five consecutive days. With this change, the secretary has the discretion not to call reserves if the daily adjusted average price for any of the previous five days is below the call point," Bergland said. "This applies even if the five-day moving average price exceeds the call level for the required five days."

"This will give additional flexibility to avoid calling reserve loans in cases when erratic market forces push up market prices temporarily," Bergland said.

The regulations making this change were filed with the Federal Register this morning.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA PROPOSES OPTIONAL FOOD STAMP REPORTING SYSTEM FOR STATES; COMMENTS INVITED

WASHINGTON, Dec. 10--State agencies with the necessary computer capabilities may be able to match food stamp benefits more accurately to households' changing circumstances under a proposed income reporting system, Assistant Secretary of Agriculture Carol Tucker Foreman said today.

"The new system would allow states to issue benefits based on monthly reports of participants' actual past income, and is designed to provide a tool to states that may help reduce error rates," Foreman said.

Under the proposed system, a household would mail in reports of its income, deductions, and other household circumstances for a prior month. The state would then use these figures, rather than information about a household's current and future circumstances, to determine the household's eligibility and benefit level.

Under the proposed system, states would continue to use a household's current circumstances to determine its eligibility and benefits for the initial months the household is on the program. After the first months, benefits would be based on the food stamp household's actual income and circumstances for a previous month.

The proposed system would be optional, Foreman said. Not all states have the computer technology and management systems necessary to operate the system, which entails processing reports and recomputing benefits on a monthly basis.

State agencies that choose to use it could select certain project areas and groups of participants for the reporting requirement. The system will not apply to recipients of supplemental security income or social security because they have relatively stable incomes and because the requirement to complete a separate form each month might be burdensome for the elderly, blind and disabled, Foreman said.

Next year USDA's Food and Nutrition Service will test the impact of this income reporting system on administrative costs and procedures, benefit levels, error rates and client services through a demonstration

project in two Illinois sites--Peoria County and the Southeast local office of Cook County, Foreman said.

The test will start in January 1981 and will run for a year and a half. Proposed regulations on the income reporting system, as well as test procedures for the demonstration project, were published in the Dec. 5 Federal Register.

In addition, the Food and Nutrition Service will hold a public meeting Jan. 4 to discuss the proposed system.

To comment on the proposed regulations or the demonstration project, or to get more information on the public meeting, write to Claire Lipsman, director, Program Development Division, Family Nutrition Program, FNS, USDA, Washington D.C., 20250.

Comments on the proposed regulations for the income reporting system are due by Feb. 3. Comments on the procedures for the demonstration project should be submitted by Dec. 20.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

U.S., JAPAN ISSUE STATEMENT ON AGRICULTURAL TALKS

WASHINGTON, Dec. 10--Delegations from the United States and Japan issued the following joint statement today after completing routine consultations here on the agricultural supply and demand situation:

"The second round of Japan-U.S. talks on agricultural products was held in Washington Dec. 9 and 10, to exchange information on the supply-demand situation in agricultural products as specified in paragraph 19 of the Japan- U.S. Joint Communiqué of May 2, 1979. The first round took place in Tokyo in November 1979.

"The delegations exchanged views and information primarily on wheat, feed grains, soybeans and rice.

"The U.S. delegation was headed by Dale E. Hathaway, under secretary for international affairs and commodity programs, U.S. Department of Agriculture. The head of the Japanese delegation was Akira Matsuura, director-general of the economic affairs bureau, Ministry of Agriculture, Forestry and Fisheries.

"The U.S. side elaborated the current domestic and global supply/demand situation and U.S. export outlook in wheat, feed grains, soybeans and rice and in this connection the U.S. side also explained its agricultural policies.

"The Japanese side explained the domestic supply/demand situation in wheat, feed grains, soybeans and rice and the future import outlook for these products.

"In this connection, the Japanese side also explained the guidelines for their agricultural policies in the 1980's and the long-term outlook for the demand and production of agricultural products.

"Bearing in mind the changes in the global demand/supply situation in grains and soybeans, the Japanese requested the U.S. to continue the stable supply of wheat, feed grains and soybeans to Japan so as to meet its demand next year. In this regard, the U.S. side said that it would cooperate closely in line with the Japan-U.S. Joint Communiqué of 1979 to ensure that Japan's import needs are met.

"Furthermore, responding to a Japanese inquiry, the U.S. side explained the basic policy and implementation of its long-term grain agreements with third countries.

"Both delegations, recognizing the successful outcome of the talks, expressed their views that it would be desirable to hold the next talks at an appropriate time, giving consideration to the demand/supply situation of grains and soybeans."

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